

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1891 – SB 1948

February 16, 2018

SUMMARY OF BILL: Requires a pre-need funeral contract deposit to be placed in a trust within 15 days of receipt rather than by the 20th day of the following month. Authorizes a trustee to establish a single trust fund for all pre-need funeral contracts issued by multiple pre-need sellers, instead of having to establish a trust fund for each pre-need seller.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 62-5-407(b), a pre-need funeral contract purchaser who chooses to fund the pre-need funeral contract by a trust deposit, must establish a separate trust fund for each pre-need funeral contract or a single trust fund for all pre-need funeral contracts issued by a pre-need seller.
- Passage of this legislation would authorize a trustee to deposit funds from multiple pre-need sellers into the same account.
- Based on information provided by the Department of Commerce and Insurance (DCI), this legislation will have no significant impact on the current responsibilities of the Burial Services Program.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Burial Services Program experienced a surplus of \$196,879 in FY15-16, a surplus of \$161,588 in FY16-17, and had a cumulative reserve balance of \$1,000,103 on June 30, 2017.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- Allowing funds from multiple pre-need sellers to be deposited into the same account will not significantly decrease business expenditures for pre-need funeral contract sellers and will have no impact on commerce or jobs in Tennessee.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh